

28 March 1957

**MEMORANDUM FOR THE DIRECTOR**

**SUBJECT: Probable Developments in the Philippine  
Political Situation and US-Philippine Relations  
over the next Nine Months**

1. President Magsaysay's death has thrown the Philippine presidential race wide open and ushered in a period of political confusion and maneuvering which will probably continue until the elections next November. Although Magsaysay provided the Philippines an important degree of political stability and cohesiveness, he left no coherent political organization of his own. The Magsaysay for President Movement (MPM), which provided the hard core of his political activists, was not a political party. However, the MPM is reported to be reorganizing as the Spirit of Magsaysay Movement in hopes of wielding some influence in the coming campaign. Senator Ponce and Manuel P. Manahan, general manager of the Manila Times and a close associate of Magsaysay, have been suggested by the MPM group as possible candidates.

\* The substance of this memorandum has been discussed with DDP and OCI.

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2. The importance of the major political parties in selecting nominees has been enhanced, but they are far from a decision as to their candidates or tactics. The Liberal Party hopes to take advantage of the new political situation to recoup its 1953 election losses. Currently heading its list of possible candidates is Jose Yulo, a wealthy sugar dealer and former speaker of the House. Yulo is known as a loyal party man of considerable ability and strong anti-Recto feelings. However, he is in poor health and is reportedly reluctant to run. In the Nacionalista Party, nearly every influential figure appears to be seeking nomination. As the incumbent, the new president, Carlos Garcia, has an advantage, but he faces powerful opposition within the party and has only a short time to exploit his position. Recto announced his candidacy for president before Magsaysay's death. His clear-cut anti-Magsaysay position and the opposition of the Catholic Church will probably prevent him from gaining the political support and popular following necessary to win the Nacionalista nomination or the election if he should run as an independent. It is possible that Recto would withdraw from the presidential race if he should be offered an attractive consolation prize.

3. During the next nine months the Garcia administration will probably seek to avoid major domestic or international policy decisions. Garcia has promised to carry out Magsaysay's policies, but his willingness and ability to do so are uncertain and he may fail to press Magsaysay's agrarian reform and economic development programs or he may use them for his own political purposes. Because of his long-standing association with the Nacionalista old guard, its influence will probably increase and he may be forced to adopt or to pledge economic policies favorable to the special economic and social interest groups it represents. Most of Garcia's actions and policies over the next nine months will probably be based on his desire to be elected and he will probably make whatever compromises he thinks necessary to his nomination and election.

4. President Garcia's attitude toward the base negotiations is not clear. Although he headed the Philippine negotiating panel, he played only a nominal role in its deliberations. Apparently he was not fully informed of the informal discussions with US representatives which were being conducted by Magsaysay up to the time of Magsaysay's death. While he may seek to resume the negotiations

believing that a favorable settlement of certain issues would be a valuable political asset, it seems equally likely that he will consider it politically unwise to open up such a potentially explosive subject before the elections.

5. Although Magsaysay was a leading exponent of close relations with the US, his death is not likely to result in a significant deterioration in US-Philippine relations over the next nine months. However, Recto and other ultra-nationalists may make some extreme statements or attempt to highlight troublesome issues in US-Philippine relations.

6. In NIC 66-57, 12 February 1957, we estimated that "over the longer run, the force of nationalism in the Philippines will continue to grow and that within the framework of dependence on the US there will be increased pressures for a more independent foreign policy and a general loosening of ties with the US." We believe that the death of Magsaysay will accelerate these tendencies because there appears to be no likely successor able or willing to maintain the same degree of stability and cooperation in US-Philippine relations.

7. An estimate on the Philippines has been scheduled for August 1957 as per IAC-D-1/19.

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